## PRESENTATION OF BUDGET FOR 1956-57.

[Shri A. J. John (*Finance Minister*) : ]

SIR,

I rise to present the Budget Estimates of the State of Travancore-Cochin for the financial year 1956-57. I shall take this opportunity to speak briefly on the broad considerations of policy which have guided the Government in framing the Budget for the ensuing year and to give the House a clear insight into our past achievements and programme for the future.

### ECONOMIC CONDITION.

2. A brief review of the economic condition of the State will be helpful in drawing up a constructive programme of work for the future. According to the figures available with the State Directorate of Statistics there are at present nearly 101.64 lakhs of persons in the State consisting of 14.99 lakhs below 5 years, 24.94 lakhs in the ages 5 to 14, 34.50 lakhs between 15 and 34, 19.09 lakhs in the ages 35 to 54 and 8.12 lakhs aged 55 and above. Even though our State has a total area of 58.5 lakhs of acres, the land available for cultivation is only 34.0 lakhs acres. Thus the land *per capita* is only a third of an acre. A direct result of the pressure on land due to a large population has been indiscriminate fragmentation of land holdings. An analysis of the distribution of the land-holdings in the State according to the Land Revenue Records has revealed that 82% of the holdings devoted to cultivation of rice (wet lands) is below one acre, 15% has area between one acre and five acres and only 3% has extent exceeding five acres. In respect of garden lands, 75% has area below one acre, 22% between one to five acres and 3% over five acres.

When we turn to Agricultural Production, we find that cultivation is almost evenly distributed between food and money crops, as far as the major crops are concerned. Money crops are largely affected by conditions of foreign trade and the food crops are practically consumed within the State. Though there has been increase in the production of major food crops, due to the intensive drive for bringing more lands under cultivation and improved methods, production of money crops registered no appreciable change. Simultaneously there has been considerable variation in the price of agricultural commodities such as cocoanut, pepper, tapioca etc., which has affected to a great extent, the agricultural economy of the State. The money crops have been worst affected as the slump in some of them has



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been very heavy. The following table gives the production and value of some major crops in the State.

| Name of crop | 1953-54 | | 1954-55 | | 1955-56 | |
|---|---|---|---|---|---|---|
| | Production ('000 tons) | Value (lakhs Rs.) | Production ('000 tons) | Value (lakhs Rs.) | Production ('000 tons) | Value (lakhs Rs.) |
| Paddy .. | 718 | 2168.36 | 872 | 2677.04 | 910 | 2639.00 |
| Cocoanut .. | 1923* | 3200.60 | 1948* | 3101.64 | 1948* | 2704.31 |
| Arecanut .. | 1985* | 337.45 | 2268* | 445.80 | 2268* | 401.32 |
| Pepper .. | 15 | 1093.05 | 17 | 644.81 | 17 | 523.43 |
| Tapioca .. | 1760 | 2147.20 | 1485 | 1054.35 | 1485 | 519.75 |
| Cashewnut .. | 44 | 302.28 | 45 | 207.45 | 45 | 299.70 |
| Sugarcane .. | 303 | 121.20 | 303 | 121.20 | 305 | 122.00 |
| Bananas .. | 132 | 246.84 | 150 | 270.00 | 150 | 244.00 |
| Ginger .. | 6 | 73.92 | 6 | 86.58 | 6 | 187.14 |
| TOTAL .. .. | | 9690.90 | .. | 8608.87 | .. | 7640.65 |
| Percentage .. .. | | 100 | .. | 88.8 | .. | 78.8 |

* The unit is million.

The above table will show that the agricultural income has been steadily falling—it being 21.2% less than what it was in the year 1953-54. This has resulted in diminishing the *per capita* income from agricultural produce. Side by side with this diminishing income, the prices of non-food articles have not materially come down. On the basis of the prices received by the farmer for his produce, and the price paid by him for household articles it may be stated that the prosperity of the farmer has been on the decline during the last 3 years.

The results of an intensive survey of the distribution of family income in the State revealed that out of 1000 families 294 are of income below Rs. 50, 364 of income between Rs. 50-100, 224 between Rs. 100-200, 62 with income between Rs. 200-300 and 56 with income of over Rs. 300. It can be seen from the above that two-thirds of the families in the State are living on incomes below Rs. 100 a month. With increased

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wages in almost all sectors, the reason for such low income is not far to seek. The number of earners is small. While fully conceding this important limitation in the economy of our families, it will not be unfair to state that strikes and lock-outs among workers have substantially contributed to this low family income, particularly in urban areas. During the last four months 1.88 lakhs of man-days have been lost due to strikes and lock-outs. The aggregate loss on this account is nearly Rs. 4 lakhs. This is disheartening when our attempt is to increase our income levels so that our standard of living could be raised.

Coming now to the pressure of dependency in the State, out of 61.71 lakhs of persons aged 15 years and over, only 18.63 lakhs are earners, 15.03 lakhs are having irregular employment and the remaining 28.05 lakhs are complete dependents. A further analysis of this problem reveals that in the most impressionable young years 15 to 24, only 3.47 lakhs out of 20.26 lakhs have regular employment and almost 13 lakhs are complete dependents. In the ages 25-34, out of 14.24 lakhs, 4.81 lakhs are employed and 5.19 lakhs are complete dependents. In respect of higher age groups, the position though similar, appears to be slightly better. The partially employed have at the most work for six months in the year. If we make allowance for this, we find that 26.17 lakhs of persons who are earners have to bear the burden of dependency of 35.52 lakhs non-earners aged 15 and over. It would be wrong, however, to conclude that all these 35.54 lakhs of persons are unemployed. 2.96 lakhs are not in a position to make their living due to old age or illness, and 1.81 lakhs are in educational institutions. Omitting this, actually 30.77 lakhs of persons—10.28 lakhs men and 20.49 lakhs women—are able to work but have no openings to earn a livelihood.

It would be interesting to know the standard of literacy among the dependents. It is roughly estimated that among persons who are without work, 12.52 lakhs are illiterate and 13.58 lakhs can only read and write. Of the remaining 4.67 lakhs (2.84 lakhs men and 1.83 lakhs women) 3.92 lakhs (2.28 lakhs men and 1.64 lakhs women) have high school standard. In regard to College education—intermediates and graduates—there are 39,000 persons consisting of 29,000 men and 10,000 women. The numbers with professional and technical education are 36,000—26,000 males and 10,000 females.

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Thus we may summarise the position by saying that 75,000 persons with fairly high level of general or professional training are without employment.

I shall deal with the problem of unemployment when I refer to the progress of the First Five Year Plan and the programmes under the Second Five Year Plan.

I have already referred to the pressure on land in our State. In a State like Travancore-Cochin with a high density of population, the importance of settling the landless and indigent section of the population hardly requires emphasis. Attempts at solving this problem have already been made in several directions. Certain legislations conferring occupancy and proprietary rights on certain classes of occupants like the 'Edavagai Rights Acquisition Act', the 'Prevention of Eviction of Kudikidappukars' Act' etc., were brought to the Statute Book. But the main question of putting a ceiling on private holdings and giving land to the landless is still on the anvil. Pending the final solution of this problem, Government feel it advisable to place such of the available Government lands as are not required for public or Government purpose at the disposal of the deserving section of the population for their settlement. The manner in which this has to be done, the extent to which the Government can go in this direction and above all the steps to be taken for the speedy implementation of the policy etc., require detailed scrutiny. It is proposed to set up a Land Commission including non-official members to go into the details of this problem and to advise Government on the steps to be taken to implement the Scheme. The personnel of the Commission will be announced shortly.

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THE HIGHLIGHTS OF THE FIVE YEAR PLAN.

3. Before proceeding further I intend to focus the attention of the House on the problem of Planning which looms large in the sphere of economic development.

By the end of the current financial year, we come to the close of the First Five Year Plan which leads on to the Second. The total outlay which was programmed under the First Five Year Plan was in the neighbourhood of Rs. 30 crores. The revised estimate of Plan expenditure including expenditure to be incurred by the end of the current year stands at Rs. 25.87 crores, which is 86.23% of the total. This does not include